

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1035
97TH GENERAL ASSEMBLY

Reported from the Committee on Jobs, Economic Development and Local Government, May 2, 2013, with recommendation that the Senate Committee Substitute do pass.

2235S.03C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 67.463, 67.469, 137.073, and 137.720, RSMo, and to enact in lieu thereof four new sections relating to property taxes.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 67.463, 67.469, 137.073, and 137.720, RSMo, are
2 repealed and four new sections enacted in lieu thereof, to be known as sections
3 67.463, 67.469, 137.073, and 137.720, to read as follows:

67.463. 1. At the hearing to consider the proposed improvements and
2 assessments, the governing body shall hear and pass upon all objections to the
3 proposed improvements and proposed assessments, if any, and may amend the
4 proposed improvements, and the plans and specifications therefor, or assessments
5 as to any property, and thereupon by ordinance or resolution the governing body
6 of the city or county shall order that the improvement be made and direct that
7 financing for the cost thereof be obtained as provided in sections 67.453 to 67.475.

8 2. After construction of the improvement has been completed in
9 accordance with the plans and specifications therefor, the governing body shall
10 compute the final costs of the improvement and apportion the costs among the
11 property benefitted by such improvement in such equitable manner as the
12 governing body shall determine, charging each parcel of property with its
13 proportionate share of the costs, and by resolution or ordinance, assess the final
14 cost of the improvement or the amount of general obligation bonds issued or to
15 be issued therefor as special assessments against the property described in the
16 assessment roll.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 3. After the passage or adoption of the ordinance or resolution assessing
18 the special assessments, the city clerk or county clerk shall mail a notice to each
19 property owner within the district which sets forth a description of each parcel
20 of real property to be assessed which is owned by such owner, the special
21 assessment assigned to such property, and a statement that the property owner
22 may pay such assessment in full, together with interest accrued thereon from the
23 effective date of such ordinance or resolution, on or before a specified date
24 determined by the effective date of the ordinance or resolution, or may pay such
25 assessment in annual installments as provided in subsection 4 of this section.

26 4. The special assessments shall be assessed upon the property included
27 therein concurrent with general property taxes, and shall be payable in
28 substantially equal annual installments for a duration stated in the ballot
29 measure prescribed in subsection 2 of section 67.457 or in the petition prescribed
30 in subsection 3 of section 67.457, and, if authorized, an assessment in each year
31 thereafter levied and collected in the same manner with the proceeds thereof used
32 solely for maintenance of the improvement, taking into account such assessments
33 and interest thereon, as the governing body determines. The first installment
34 shall be payable after the first collection of general property taxes following the
35 adoption of the assessment ordinance or resolution unless such ordinance or
36 resolution was adopted and certified too late to permit its collection at such time.
37 All assessments shall bear interest at such rate as the governing body
38 determines, not to exceed the rate permitted for bonds by section
39 108.170. Interest on the assessment between the effective date of the ordinance
40 or resolution assessing the assessment and the date the first installment is
41 payable shall be added to the first installment. The interest for one year on all
42 unpaid installments shall be added to each subsequent installment until paid. In
43 the case of a special assessment by a city, all of the installments, together with
44 the interest accrued or to accrue thereon, may be certified by the city clerk to the
45 county clerk in one instrument at the same time. Such certification shall be good
46 for all of the installments, and the interest thereon payable as special
47 assessments.

48 5. Special assessments shall be collected and paid over to the city
49 treasurer or county treasurer in the same manner as taxes of the city or county
50 are collected and paid. In any **county with a charter form of government**
51 **and with more than six hundred thousand but fewer than seven**
52 **hundred thousand inhabitants and any** county of the first classification with

53 more than one hundred thirty-five thousand four hundred but fewer than one
54 hundred thirty-five thousand five hundred inhabitants, the county collector may
55 collect a fee as prescribed by section 52.260 for collection of assessments under
56 this section.

67.469. A special assessment authorized under the provisions of sections
2 67.453 to 67.475 shall be a lien, from the date of the assessment, on the property
3 against which it is assessed on behalf of the city or county assessing the same to
4 the same extent as a tax upon real property. The lien may be foreclosed in the
5 same manner as a tax upon real property by land tax sale pursuant to chapter
6 140 or [by judicial foreclosure proceeding], **if applicable to that county,**
7 **chapter 141, or** at the option of the governing body, **by judicial foreclosure**
8 **proceeding.** Upon the foreclosure of any such lien, whether by land tax sale or
9 by judicial foreclosure proceeding, the entire remaining assessment may become
10 due and payable and may be recoverable in such foreclosure proceeding at the
11 option of the governing body.

137.073. 1. As used in this section, the following terms mean:

2 (1) "General reassessment", changes in value, entered in the assessor's
3 books, of a substantial portion of the parcels of real property within a county
4 resulting wholly or partly from reappraisal of value or other actions of the
5 assessor or county equalization body or ordered by the state tax commission or
6 any court;

7 (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax
8 rate for each purpose of taxation of property a taxing authority is authorized to
9 levy without a vote and any tax rate authorized by election, including bond
10 interest and sinking fund;

11 (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to
12 comply with the provisions of this section or when a court has determined the tax
13 rate; except that, other provisions of law to the contrary notwithstanding, a school
14 district may levy the operating levy for school purposes required for the current
15 year pursuant to subsection 2 of section 163.021, less all adjustments required
16 pursuant to article X, section 22 of the Missouri Constitution, if such tax rate
17 does not exceed the highest tax rate in effect subsequent to the 1980 tax
18 year. This is the maximum tax rate that may be levied, unless a higher tax rate
19 ceiling is approved by voters of the political subdivision as provided in this
20 section;

21 (4) "Tax revenue", when referring to the previous year, means the actual

22 receipts from ad valorem levies on all classes of property, including state-assessed
23 property, in the immediately preceding fiscal year of the political subdivision,
24 plus an allowance for taxes billed but not collected in the fiscal year and plus an
25 additional allowance for the revenue which would have been collected from
26 property which was annexed by such political subdivision but which was not
27 previously used in determining tax revenue pursuant to this section. The term
28 "tax revenue" shall not include any receipts from ad valorem levies on any
29 property of a railroad corporation or a public utility, as these terms are defined
30 in section 386.020, which were assessed by the assessor of a county or city in the
31 previous year but are assessed by the state tax commission in the current year.
32 All school districts and those counties levying sales taxes pursuant to chapter 67
33 shall include in the calculation of tax revenue an amount equivalent to that by
34 which they reduced property tax levies as a result of sales tax pursuant to section
35 67.505 and section 164.013 or as excess home dock city or county fees as provided
36 in subsection 4 of section 313.820 in the immediately preceding fiscal year but not
37 including any amount calculated to adjust for prior years. For purposes of
38 political subdivisions which were authorized to levy a tax in the prior year but
39 which did not levy such tax or levied a reduced rate, the term "tax revenue", as
40 used in relation to the revision of tax levies mandated by law, shall mean the
41 revenues equal to the amount that would have been available if the voluntary
42 rate reduction had not been made.

43 2. Whenever changes in assessed valuation are entered in the assessor's
44 books for any personal property, in the aggregate, or for any subclass of real
45 property as such subclasses are established in section 4(b) of article X of the
46 Missouri Constitution and defined in section 137.016, the county clerk in all
47 counties and the assessor of St. Louis City shall notify each political subdivision
48 wholly or partially within the county or St. Louis City of the change in valuation
49 of each subclass of real property, individually, and personal property, in the
50 aggregate, exclusive of new construction and improvements. All political
51 subdivisions shall immediately revise the applicable rates of levy for each purpose
52 for each subclass of real property, individually, and personal property, in the
53 aggregate, for which taxes are levied to the extent necessary to produce from all
54 taxable property, exclusive of new construction and improvements, substantially
55 the same amount of tax revenue as was produced in the previous year for each
56 subclass of real property, individually, and personal property, in the aggregate,
57 except that the rate shall not exceed the greater of the most recent

58 voter-approved rate or the most recent voter-approved rate as adjusted under
59 subdivision (2) of subsection 5 of this section. Any political subdivision that has
60 received approval from voters for a tax increase after August 27, 2008, may levy
61 a rate to collect substantially the same amount of tax revenue as the amount of
62 revenue that would have been derived by applying the voter-approved increased
63 tax rate ceiling to the total assessed valuation of the political subdivision as most
64 recently certified by the city or county clerk on or before the date of the election
65 in which such increase is approved, increased by the percentage increase in the
66 consumer price index, as provided by law, except that the rate shall not exceed
67 the greater of the most recent voter-approved rate or the most recent
68 voter-approved rate as adjusted under subdivision (2) of subsection 5 of this
69 section. Such tax revenue shall not include any receipts from ad valorem levies
70 on any real property which was assessed by the assessor of a county or city in
71 such previous year but is assessed by the assessor of a county or city in the
72 current year in a different subclass of real property. Where the taxing authority
73 is a school district for the purposes of revising the applicable rates of levy for
74 each subclass of real property, the tax revenues from state-assessed railroad and
75 utility property shall be apportioned and attributed to each subclass of real
76 property based on the percentage of the total assessed valuation of the county
77 that each subclass of real property represents in the current taxable year. As
78 provided in section 22 of article X of the constitution, a political subdivision may
79 also revise each levy to allow for inflationary assessment growth occurring within
80 the political subdivision. The inflationary growth factor for any such subclass of
81 real property or personal property shall be limited to the actual assessment
82 growth in such subclass or class, exclusive of new construction and improvements,
83 and exclusive of the assessed value on any real property which was assessed by
84 the assessor of a county or city in the current year in a different subclass of real
85 property, but not to exceed the consumer price index or five percent, whichever
86 is lower. Should the tax revenue of a political subdivision from the various tax
87 rates determined in this subsection be different than the tax revenue that would
88 have been determined from a single tax rate as calculated pursuant to the method
89 of calculation in this subsection prior to January 1, 2003, then the political
90 subdivision shall revise the tax rates of those subclasses of real property,
91 individually, and/or personal property, in the aggregate, in which there is a tax
92 rate reduction, pursuant to the provisions of this subsection. Such revision shall
93 yield an amount equal to such difference and shall be apportioned among such

94 subclasses of real property, individually, and/or personal property, in the
95 aggregate, based on the relative assessed valuation of the class or subclasses of
96 property experiencing a tax rate reduction. Such revision in the tax rates of each
97 class or subclass shall be made by computing the percentage of current year
98 adjusted assessed valuation of each class or subclass with a tax rate reduction to
99 the total current year adjusted assessed valuation of the class or subclasses with
100 a tax rate reduction, multiplying the resulting percentages by the revenue
101 difference between the single rate calculation and the calculations pursuant to
102 this subsection and dividing by the respective adjusted current year assessed
103 valuation of each class or subclass to determine the adjustment to the rate to be
104 levied upon each class or subclass of property. The adjustment computed herein
105 shall be multiplied by one hundred, rounded to four decimals in the manner
106 provided in this subsection, and added to the initial rate computed for each class
107 or subclass of property. For school districts that levy separate tax rates on each
108 subclass of real property and personal property in the aggregate, if voters
109 approved a ballot before January 1, 2011, that presented separate stated tax
110 rates to be applied to the different subclasses of real property and personal
111 property in the aggregate, or increases the separate rates that may be levied on
112 the different subclasses of real property and personal property in the aggregate
113 by different amounts, the tax rate that shall be used for the single tax rate
114 calculation shall be a blended rate, calculated in the manner provided under
115 subdivision (1) of subsection 6 of this section. Notwithstanding any provision of
116 this subsection to the contrary, no revision to the rate of levy for personal
117 property shall cause such levy to increase over the levy for personal property from
118 the prior year.

119 3. (1) Where the taxing authority is a school district, it shall be required
120 to revise the rates of levy to the extent necessary to produce from all taxable
121 property, including state-assessed railroad and utility property, which shall be
122 separately estimated in addition to other data required in complying with section
123 164.011, substantially the amount of tax revenue permitted in this section. In
124 the year following tax rate reduction, the tax rate ceiling may be adjusted to
125 offset such district's reduction in the apportionment of state school moneys due
126 to its reduced tax rate. However, in the event any school district, in calculating
127 a tax rate ceiling pursuant to this section, requiring the estimating of effects of
128 state-assessed railroad and utility valuation or loss of state aid, discovers that the
129 estimates used result in receipt of excess revenues, which would have required

130 a lower rate if the actual information had been known, the school district shall
131 reduce the tax rate ceiling in the following year to compensate for the excess
132 receipts, and the recalculated rate shall become the tax rate ceiling for purposes
133 of this section.

134 (2) For any political subdivision which experiences a reduction in the
135 amount of assessed valuation relating to a prior year, due to decisions of the state
136 tax commission or a court pursuant to sections 138.430 to 138.433, or due to
137 clerical errors or corrections in the calculation or recordation of any assessed
138 valuation:

139 (a) Such political subdivision may revise the tax rate ceiling for each
140 purpose it levies taxes to compensate for the reduction in assessed value
141 occurring after the political subdivision calculated the tax rate ceiling for the
142 particular subclass of real property or for personal property, in the aggregate, in
143 a prior year. Such revision by the political subdivision shall be made at the time
144 of the next calculation of the tax rate for the particular subclass of real property
145 or for personal property, in the aggregate, after the reduction in assessed
146 valuation has been determined and shall be calculated in a manner that results
147 in the revised tax rate ceiling being the same as it would have been had the
148 corrected or finalized assessment been available at the time of the prior
149 calculation;

150 (b) In addition, for up to three years following the determination of the
151 reduction in assessed valuation as a result of circumstances defined in this
152 subdivision, such political subdivision may levy a tax rate for each purpose it
153 levies taxes above the revised tax rate ceiling provided in paragraph (a) of this
154 subdivision to recoup any revenues it was entitled to receive had the corrected or
155 finalized assessment been available at the time of the prior calculation.

156 4. (1) In order to implement the provisions of this section and section 22
157 of article X of the Constitution of Missouri, the term improvements shall apply
158 to both real and personal property. In order to determine the value of new
159 construction and improvements, each county assessor shall maintain a record of
160 real property valuations in such a manner as to identify each year the increase
161 in valuation for each political subdivision in the county as a result of new
162 construction and improvements. The value of new construction and
163 improvements shall include the additional assessed value of all improvements or
164 additions to real property which were begun after and were not part of the prior
165 year's assessment, except that the additional assessed value of all improvements

166 or additions to real property which had been totally or partially exempt from ad
167 valorem taxes pursuant to sections 99.800 to 99.865, sections 135.200 to 135.255,
168 and section 353.110 shall be included in the value of new construction and
169 improvements when the property becomes totally or partially subject to
170 assessment and payment of all ad valorem taxes. The aggregate increase in
171 valuation of personal property for the current year over that of the previous year
172 is the equivalent of the new construction and improvements factor for personal
173 property. Notwithstanding any opt-out implemented pursuant to subsection 15
174 of section 137.115, the assessor shall certify the amount of new construction and
175 improvements and the amount of assessed value on any real property which was
176 assessed by the assessor of a county or city in such previous year but is assessed
177 by the assessor of a county or city in the current year in a different subclass of
178 real property separately for each of the three subclasses of real property for each
179 political subdivision to the county clerk in order that political subdivisions shall
180 have this information for the purpose of calculating tax rates pursuant to this
181 section and section 22, article X, Constitution of Missouri. In addition, the state
182 tax commission shall certify each year to each county clerk the increase in the
183 general price level as measured by the Consumer Price Index for All Urban
184 Consumers for the United States, or its successor publications, as defined and
185 officially reported by the United States Department of Labor, or its successor
186 agency. The state tax commission shall certify the increase in such index on the
187 latest twelve-month basis available on February first of each year over the
188 immediately preceding prior twelve-month period in order that political
189 subdivisions shall have this information available in setting their tax rates
190 according to law and section 22 of article X of the Constitution of Missouri. For
191 purposes of implementing the provisions of this section and section 22 of article
192 X of the Missouri Constitution, the term "property" means all taxable property,
193 including state-assessed property.

194 (2) Each political subdivision required to revise rates of levy pursuant to
195 this section or section 22 of article X of the Constitution of Missouri shall
196 calculate each tax rate it is authorized to levy and, in establishing each tax rate,
197 shall consider each provision for tax rate revision provided in this section and
198 section 22 of article X of the Constitution of Missouri, separately and without
199 regard to annual tax rate reductions provided in section 67.505 and section
200 164.013. Each political subdivision shall set each tax rate it is authorized to levy
201 using the calculation that produces the lowest tax rate ceiling. It is further the

202 intent of the general assembly, pursuant to the authority of section 10(c) of article
203 X of the Constitution of Missouri, that the provisions of such section be applicable
204 to tax rate revisions mandated pursuant to section 22 of article X of the
205 Constitution of Missouri as to reestablishing tax rates as revised in subsequent
206 years, enforcement provisions, and other provisions not in conflict with section
207 22 of article X of the Constitution of Missouri. Annual tax rate reductions
208 provided in section 67.505 and section 164.013 shall be applied to the tax rate as
209 established pursuant to this section and section 22 of article X of the Constitution
210 of Missouri, unless otherwise provided by law.

211 5. (1) In all political subdivisions, the tax rate ceiling established
212 pursuant to this section shall not be increased unless approved by a vote of the
213 people. Approval of the higher tax rate shall be by at least a majority of votes
214 cast. When a proposed higher tax rate requires approval by more than a simple
215 majority pursuant to any provision of law or the constitution, the tax rate
216 increase must receive approval by at least the majority required.

217 (2) When voters approve an increase in the tax rate, the amount of the
218 increase shall be added to the tax rate ceiling as calculated pursuant to this
219 section to the extent the total rate does not exceed any maximum rate prescribed
220 by law. If a ballot question presents a stated tax rate for approval rather than
221 describing the amount of increase in the question, the stated tax rate approved
222 shall be adjusted as provided in this section and, so adjusted, shall be the current
223 tax rate ceiling. The increased tax rate ceiling as approved shall be adjusted
224 such that when applied to the current total assessed valuation of the political
225 subdivision, excluding new construction and improvements since the date of the
226 election approving such increase, the revenue derived from the adjusted tax rate
227 ceiling is equal to the sum of: the amount of revenue which would have been
228 derived by applying the voter-approved increased tax rate ceiling to total assessed
229 valuation of the political subdivision, as most recently certified by the city or
230 county clerk on or before the date of the election in which such increase is
231 approved, increased by the percentage increase in the consumer price index, as
232 provided by law. Such adjusted tax rate ceiling may be applied to the total
233 assessed valuation of the political subdivision at the setting of the next tax rate.
234 If a ballot question presents a phased-in tax rate increase, upon voter approval,
235 each tax rate increase shall be adjusted in the manner prescribed in this section
236 to yield the sum of: the amount of revenue that would be derived by applying
237 such voter-approved increased rate to the total assessed valuation, as most

238 recently certified by the city or county clerk on or before the date of the election
239 in which such increase was approved, increased by the percentage increase in the
240 consumer price index, as provided by law, from the date of the election to the time
241 of such increase and, so adjusted, shall be the current tax rate ceiling.

242 (3) The governing body of any political subdivision may levy a tax rate
243 lower than its tax rate ceiling and may, in a nonreassessment year, increase that
244 lowered tax rate to a level not exceeding the tax rate ceiling without voter
245 approval in the manner provided under subdivision (4) of this
246 subsection. Nothing in this section shall be construed as prohibiting a political
247 subdivision from voluntarily levying a tax rate lower than that which is required
248 under the provisions of this section or from seeking voter approval of a reduction
249 to such political subdivision's tax rate ceiling.

250 (4) In a year of general reassessment, a governing body whose tax rate is
251 lower than its tax rate ceiling shall revise its tax rate pursuant to the provisions
252 of subsection 4 of this section as if its tax rate was at the tax rate ceiling. In a
253 year following general reassessment, if such governing body intends to increase
254 its tax rate, the governing body shall conduct a public hearing, and in a public
255 meeting it shall adopt an ordinance, resolution, or policy statement justifying its
256 action prior to setting and certifying its tax rate. The provisions of this
257 subdivision shall not apply to any political subdivision which levies a tax rate
258 lower than its tax rate ceiling solely due to a reduction required by law resulting
259 from sales tax collections. The provisions of this subdivision shall not apply to
260 any political subdivision which has received voter approval for an increase to its
261 tax rate ceiling subsequent to setting its most recent tax rate.

262 6. (1) For the purposes of calculating state aid for public schools pursuant
263 to section 163.031, each taxing authority which is a school district shall
264 determine its proposed tax rate as a blended rate of the classes or subclasses of
265 property. Such blended rate shall be calculated by first determining the total tax
266 revenue of the property within the jurisdiction of the taxing authority, which
267 amount shall be equal to the sum of the products of multiplying the assessed
268 valuation of each class and subclass of property by the corresponding tax rate for
269 such class or subclass, then dividing the total tax revenue by the total assessed
270 valuation of the same jurisdiction, and then multiplying the resulting quotient
271 by a factor of one hundred. Where the taxing authority is a school district, such
272 blended rate shall also be used by such school district for calculating revenue
273 from state-assessed railroad and utility property as defined in chapter 151 and

274 for apportioning the tax rate by purpose.

275 (2) Each taxing authority proposing to levy a tax rate in any year shall
276 notify the clerk of the county commission in the county or counties where the tax
277 rate applies of its tax rate ceiling and its proposed tax rate. Each taxing
278 authority shall express its proposed tax rate in a fraction equal to the nearest
279 one-tenth of a cent, unless its proposed tax rate is in excess of one dollar, then
280 one/one-hundredth of a cent. If a taxing authority shall round to
281 one/one-hundredth of a cent, it shall round up a fraction greater than or equal to
282 five/one-thousandth of one cent to the next higher one/one-hundredth of a cent;
283 if a taxing authority shall round to one-tenth of a cent, it shall round up a
284 fraction greater than or equal to five/one-hundredths of a cent to the next higher
285 one-tenth of a cent. Any taxing authority levying a property tax rate shall
286 provide data, in such form as shall be prescribed by the state auditor by rule,
287 substantiating such tax rate complies with Missouri law. All forms for the
288 calculation of rates pursuant to this section shall be promulgated as a rule and
289 shall not be incorporated by reference. The state auditor shall promulgate rules
290 for any and all forms for the calculation of rates pursuant to this section which
291 do not currently exist in rule form or that have been incorporated by reference.
292 In addition, each taxing authority proposing to levy a tax rate for debt service
293 shall provide data, in such form as shall be prescribed by the state auditor by
294 rule, substantiating the tax rate for debt service complies with Missouri law. A
295 tax rate proposed for annual debt service requirements will be prima facie valid
296 if, after making the payment for which the tax was levied, bonds remain
297 outstanding and the debt fund reserves do not exceed the following year's
298 payments. The county clerk shall keep on file and available for public inspection
299 all such information for a period of three years. The clerk shall, within three
300 days of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling
301 and proposed tax rate and any substantiating data to the state auditor. The state
302 auditor shall, within fifteen days of the date of receipt, examine such information
303 and return to the county clerk his or her findings as to compliance of the tax rate
304 ceiling with this section and as to compliance of any proposed tax rate for debt
305 service with Missouri law. If the state auditor believes that a taxing authority's
306 proposed tax rate does not comply with Missouri law, then the state auditor's
307 findings shall include a recalculated tax rate, and the state auditor may request
308 a taxing authority to submit documentation supporting such taxing authority's
309 proposed tax rate. The county clerk shall immediately forward a copy of the

310 auditor's findings to the taxing authority and shall file a copy of the findings with
311 the information received from the taxing authority. The taxing authority shall
312 have fifteen days from the date of receipt from the county clerk of the state
313 auditor's findings and any request for supporting documentation to accept or
314 reject in writing the rate change certified by the state auditor and to submit all
315 requested information to the state auditor. A copy of the taxing authority's
316 acceptance or rejection and any information submitted to the state auditor shall
317 also be mailed to the county clerk. If a taxing authority rejects a rate change
318 certified by the state auditor and the state auditor does not receive supporting
319 information which justifies the taxing authority's original or any subsequent
320 proposed tax rate, then the state auditor shall refer the perceived violations of
321 such taxing authority to the attorney general's office and the attorney general is
322 authorized to obtain injunctive relief to prevent the taxing authority from levying
323 a violative tax rate.

324 **(3) In the event that the taxing authority incorrectly completes**
325 **the forms created and promulgated under subdivision (2) of this**
326 **subsection, or makes a clerical error, the taxing authority may submit**
327 **amended forms with an explanation for the needed changes. If such**
328 **amended forms are filed under regulations prescribed by the state**
329 **auditor, the state auditor shall take into consideration such amended**
330 **forms for the purposes of this subsection.**

331 7. No tax rate shall be extended on the tax rolls by the county clerk unless
332 the political subdivision has complied with the foregoing provisions of this
333 section.

334 8. Whenever a taxpayer has cause to believe that a taxing authority has
335 not complied with the provisions of this section, the taxpayer may make a formal
336 complaint with the prosecuting attorney of the county. Where the prosecuting
337 attorney fails to bring an action within ten days of the filing of the complaint, the
338 taxpayer may bring a civil action pursuant to this section and institute an action
339 as representative of a class of all taxpayers within a taxing authority if the class
340 is so numerous that joinder of all members is impracticable, if there are questions
341 of law or fact common to the class, if the claims or defenses of the representative
342 parties are typical of the claims or defenses of the class, and if the representative
343 parties will fairly and adequately protect the interests of the class. In any class
344 action maintained pursuant to this section, the court may direct to the members
345 of the class a notice to be published at least once each week for four consecutive

346 weeks in a newspaper of general circulation published in the county where the
347 civil action is commenced and in other counties within the jurisdiction of a taxing
348 authority. The notice shall advise each member that the court will exclude him
349 or her from the class if he or she so requests by a specified date, that the
350 judgment, whether favorable or not, will include all members who do not request
351 exclusion, and that any member who does not request exclusion may, if he or she
352 desires, enter an appearance. In any class action brought pursuant to this
353 section, the court, in addition to the relief requested, shall assess against the
354 taxing authority found to be in violation of this section the reasonable costs of
355 bringing the action, including reasonable attorney's fees, provided no attorney's
356 fees shall be awarded any attorney or association of attorneys who receive public
357 funds from any source for their services. Any action brought pursuant to this
358 section shall be set for hearing as soon as practicable after the cause is at issue.

359 9. If in any action, including a class action, the court issues an order
360 requiring a taxing authority to revise the tax rates as provided in this section or
361 enjoins a taxing authority from the collection of a tax because of its failure to
362 revise the rate of levy as provided in this section, any taxpayer paying his or her
363 taxes when an improper rate is applied has erroneously paid his or her taxes in
364 part, whether or not the taxes are paid under protest as provided in section
365 139.031 or otherwise contested. The part of the taxes paid erroneously is the
366 difference in the amount produced by the original levy and the amount produced
367 by the revised levy. The township or county collector of taxes or the collector of
368 taxes in any city shall refund the amount of the tax erroneously paid. The taxing
369 authority refusing to revise the rate of levy as provided in this section shall make
370 available to the collector all funds necessary to make refunds pursuant to this
371 subsection. No taxpayer shall receive any interest on any money erroneously paid
372 by him or her pursuant to this subsection. Effective in the 1994 tax year, nothing
373 in this section shall be construed to require a taxing authority to refund any tax
374 erroneously paid prior to or during the third tax year preceding the current tax
375 year.

376 10. Any rule or portion of a rule, as that term is defined in section
377 536.010, that is created under the authority delegated in this section shall
378 become effective only if it complies with and is subject to all of the provisions of
379 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
380 nonseverable and if any of the powers vested with the general assembly pursuant
381 to chapter 536 to review, to delay the effective date, or to disapprove and annul

382 a rule are subsequently held unconstitutional, then the grant of rulemaking
383 authority and any rule proposed or adopted after August 28, 2004, shall be
384 invalid and void.

137.720. 1. A percentage of all ad valorem property tax collections
2 allocable to each taxing authority within the county and the county shall be
3 deducted from the collections of taxes each year and shall be deposited into the
4 assessment fund of the county as required pursuant to section 137.750. The
5 percentage shall be one-half of one percent for all counties of the first and second
6 classification and cities not within a county and one percent for counties of the
7 third and fourth classification.

8 2. Prior to July 1, 2009, for counties of the first classification, counties
9 with a charter form of government, and any city not within a county, an
10 additional one-eighth of one percent of all ad valorem property tax collections
11 shall be deducted from the collections of taxes each year and shall be deposited
12 into the assessment fund of the county as required pursuant to section 137.750,
13 and for counties of the second, third, and fourth classification, an additional one-
14 quarter of one percent of all ad valorem property tax collections shall be deducted
15 from the collections of taxes each year and shall be deposited into the assessment
16 fund of the county as required pursuant to section 137.750, provided that such
17 additional amounts shall not exceed one hundred thousand dollars in any year
18 for any county of the first classification and any county with a charter form of
19 government and fifty thousand dollars in any year for any county of the second,
20 third, or fourth classification.

21 3. Effective July 1, 2009, for counties of the first classification, counties
22 with a charter form of government, and any city not within a county, an
23 additional one-eighth of one percent of all ad valorem property tax collections
24 shall be deducted from the collections of taxes each year and shall be deposited
25 into the assessment fund of the county as required pursuant to section 137.750,
26 and for counties of the second, third, and fourth classification, an additional one-
27 half of one percent of all ad valorem property tax collections shall be deducted
28 from the collections of taxes each year and shall be deposited into the assessment
29 fund of the county as required pursuant to section 137.750, provided that such
30 additional amounts shall not exceed one hundred twenty-five thousand dollars in
31 any year for any county of the first classification and any county with a charter
32 form of government and seventy-five thousand dollars in any year for any county
33 of the second, third, or fourth classification.

34 4. The county shall bill any taxing authority collecting its own taxes. The
35 county may also provide additional moneys for the fund. To be eligible for state
36 cost-share funds provided pursuant to section 137.750, every county shall provide
37 from the county general revenue fund an amount equal to an average of the three
38 most recent years of the amount provided from general revenue to the assessment
39 fund; provided, however, that capital expenditures and equipment expenses
40 identified in a memorandum of understanding signed by the county's governing
41 body and the county assessor prior to transfer of county general revenue funds
42 to the assessment fund shall be deducted from a year's contribution before
43 computing the three-year average, except that a lesser amount shall be acceptable
44 if unanimously agreed upon by the county assessor, the county governing body,
45 and the state tax commission. The county shall deposit the county general
46 revenue funds in the assessment fund as agreed to in its original or amended
47 maintenance plan, state reimbursement funds shall be withheld until the amount
48 due is properly deposited in such fund.

49 5. For all years beginning on or after January 1, 2010, any property tax
50 collections deposited into the county assessment funds provided for in subsection
51 2 of this section shall be disallowed in any year in which the state tax commission
52 notifies the county that state assessment reimbursement funds have been
53 withheld from the county for three consecutive quarters due to noncompliance by
54 the assessor or county commission with the county's assessment maintenance
55 plan.

56 [6. The provisions of subsections 2, 3, and 5 of this section shall expire on
57 December 31, 2015.]

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